



Palladon Iron Corporation ■ Iron Bull Mining & Milling
554 South 300 East, Suite 250
Salt Lake City, UT 84111

M021 0008 Task ID#
Incoming 2510
cc: Tom, Susan

0005

July 2, 2008

Tom Munson
Utah Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, UT 84116

~~SUPERCEDED~~ *rv*

Re: Responses DOGM Review of Amended Notice of Intention to Commence Large Mining Operations, Palladon Iron Corporation, Mine, M/051/008, Task # 2438, Iron County, Utah

Dear Mr. Munson:

Enclosed are responses to DOGM's first review comments. Replacement pages, using blue underline for the newest edits, and strikeout text are included. Edited text from the first submittal are still in red underline. A Form-MR-REV-att is also included to aid in inserting these into the existing permit.

New pages are three hole punched, maps are folded and placed in a plastic 8 ½ by 11 sleeve. An additional electronic copy has also been sent.

If you have any questions regarding this submittal please contact me at Palladon, or Marit Sawyer or Bill Fuller at JBR Environmental Consultants. Thank you for your timely reviews.

Sincerely,

Greg Hawkins
Director of Operations, Palladon Iron Corp

encl: June 30, 2008 version of updated pages, maps, CD of maps, DOGM Amendment form

xc: Linda Matthews, Bill Fuller, Marit Sawyer – JBR Consultants – w/ 1 set of enclosures

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Div. of Oil, Gas & Mining

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PALLADON IRON CORPORATION RESPONSES TO
1ST REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

M/021/008
June 30, 2008

Note: As agreed to in the May, 2008 meeting with DOGM and Palladon, the existing permit has not been completely revamped to match current DOGM guidance regarding NOI submittals. The permit will be completely re-worked once mining commences and a new NOI Revision is submitted to allow additional milling activities at the mine site.

R647-4-105 - Maps, Drawings & Photographs

105.1 Topographic base map, boundaries, pre-act disturbance
General

The acreages are inconsistent from one map to the next, please correct.

This has been corrected.

Map 3F

Is the main road into the facilities open to the public or is access restricted? Should this road be included in the bonded area? What is mine and what is public access in regards to roads. Not shown on map.

The road is public access and open until the gate, located approximately 2,000 feet south of the permit boundary, which is shown on each revised map.

Make sure all lines are closed on all the map's designated bonded area lines. This occurs mainly around the Comstock Road main access road.

This has been changed.

On maps M-0100-12, IM-0100-3, 3F the different hatch marks are difficult to discern. Please select different colors or more distinguishable markings.

The maps have been updated with color and are much easier to read.

Map IM-01000-3 has what purpose other than trying to identify active mining areas (?). Exactly what is it trying to show? The title is the same as IM-01000-3f and therefore it is confusing, perhaps a title change would be appropriate.

The title blocks for Maps 3 and 3f have been changed to clarify each map's intent. In addition a new map, 0100-13, has been added showing the post-mine topography for the new South Waste Dump extension.

Map IM-0100-3f shows a green area of 6.3 acres, why is this area green? Was it never bonded previously?

The green coloration in the 6.3-acre area to the southeast side of the map has been removed as the color did not clarify things. The whole map has been re-colored and should be easier to interpret.

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The green becomes post law disturbance; so when approved it should be the same designation as post act disturbance previously permitted designation. It may be better to date the disturbance so it is clear.

The maps have been changed to indicate lands affected by Geneva, vs. those affected by Palladon. This should be clearer than the "before and after" or "old and new" type terminology.

Ownership map. Does Palladon own the patented mining claims? Is the unpatented lands, BLM lands? The map is confusing and should be limited to the permit area and immediate adjacent ownership. It may help to just clarify who owns the surface with separate subsurface ownership. ***The patented lands shown are owned by Palladon. This map has been completely re-done on a different background and clarifies/simplifies land status.***

There is not a map showing the post mining final topography of the new area to be disturbed. A condition of approval will be for this map to be submitted.

A post-mining topography map for the South Waste Dump extension, and two cross-sections of this area, (Figures 0100-13 and 0101-9) are included. Post-mining topography for the rest of the mine remains the same as when Geneva had the permit.

What is mine access and what is public access in regards to roads. Please show this on the map. (TM&SW)

The updated maps all show more clearly the bond boundary. All roads outside of this boundary are public access and/or are out of Palladon's control (private lands owned by other entities), with the exception of the 2,000 feet of Comstock Spur Road located between the guard shack and gate (labeled) and the bond boundary. This is shown best on the east side of maps IM-0100-10 and IM-0100-12, included with this submittal.

105.2 Drawings or Cross Sections (slopes, roads, pads, etc.)

Please provide a cross-section of the post mine topography related to the dump expansion.

Cross-sections are included in Figure 0101-9.

Please show on map IM-0100-3f where the Comstock Waste Dump Slope Calculations shown on Drawing APP.F.2 are located. (TM&SW)

This information has been added to IM-0100-3f.

R647-4-106 - Operation Plan

106.3 Estimated acreages disturbed, reclaimed, annually.

Please provide the annual acreages disturbed and reclaimed annually for the dump expansion. (TM)

This information has been added to a revised page 26 and 26a in blue underline.

R647-4-107 - Operation Practices

107.5 Suitable soils removed & stored

Please show where the topsoil salvaged will be stored. (TM)

This was partially addressed in the first submittal (May 2008) version of revised pages 37 and 37a. More information has been added to page 37 and 37a (new revised language is in blue underline).

R647-4-109 - Impact Assessment

109.1 Impacts to surface & groundwater systems

The impacts to the drainage that is covered by the expansion of the new dump should be discussed under this section. Information regarding the size of the drainage area and the toxicity of the dump material needs to be addressed. (TM)

Please read the existing permit on page 13, which characterizes the drainage area to be affected as ephemeral. The closest intermittent drainage is unnamed and runs from south to north through Oak Springs Flat, approximately ¾ mile to the east of the South Dump Extension. This is shown on pre-existing map IM-0100-5.

There are two small, ephemeral draws that will be filled in to construct the South Waste Dump extension. The northern drainage's watershed extends above the dump top, covering an area approximately 40 acres in size. The smaller, southern drainage extends about the dump top, covering an area of approximately 20 acres. These watersheds can be seen on Map 0100-12. They are less than ½ the size of similar ephemeral drainages (similar slopes and aspects) located above older (pre-2008) portions of the South Dump Site. There is no evidence of erosion or instability caused by ephemeral drainages delivering water to the dump top on the pre-2008 waste dump. Thus, it is highly unlikely that the smaller drainages located above the South Waste Dump extension, to be constructed starting in 2008, would cause erosion or be unduly impacted by mining.

Page 14 identifies Oak Spring in Section 31, T36S, R13W. This spring is approximately 300 feet to the west of the South Dump extension. The spring appears to be an old drill hole with small artesian flow. It, as well as two others discussed in the 1995 permit, flow "sporadically in response to seasonal recharge. None are used for culinary or mining purposes ... but the water is currently being used occasionally to water livestock" Based on sampling of overburden, waste rock, lean ore, and plant waste conducted in 1991 and discussed on Page 28 of the 1995 permit, there is no evidence that pollutants would be released from the South Waste Dump into surface water or groundwater to affect Oak Spring. Page 28 of the 1995 permit states that the "potential for acidic runoff from mine drainage is very low" and references the reader to Appendix D of the 1995 permit for further result information (see also Page 40 of the existing permit).

While this information regarding impacts to surface and ground water is not all in one location in the existing 1995 permit, it is available to the permit reader. Thus, no new language has been added to the June, 2008 submittal. Palladon commits to re-writing the entire permit when it submits a revision to do further processing on site (permit revision work will begin as soon as mining commences). In the re-written permit, information from the 1995 permit will be re-organized to follow current DOGM rules and NOI guidance, and very old data will be supplemented with newer data, as necessary and agreed to with DOGM, that will aid Palladon in preventing adverse effects to the surrounding natural environment.

R647-4-110 - Reclamation Plan

110.5 Revegetation planting program

Please add the following changes to the revegetation seed mix. (LK)

Revegetation seed mix add:

Wyoming Big Sage(0.1 lb/ac)

Forage Kochia (0.5 lb/ac)

Palmer Pentstemon (0.5 lb/ac)

Pacific Aster (0.1 lb/ac)

Change:

Antelope Bitterbrush (1.0 lb/ac)

Western wheatgrass (2 .0 lb/ac)

These changes have been made to the text. They are in blue underline font.

R647-4-113 – Surety

The Costs as listed on Figure IM-Load out are \$0.19/ft3 in the original surety to demolition buildings? It is not appropriate to use 2008 costs of \$0.31/ft3 to credit demolition of buildings when the costs were lower in the original surety. Please make this adjustment.

This adjustment has been made. Changes to page 41 (and an added page 41a) have also been made so this agrees with the bond analysis. All changes are in blue underline font.

R647-4-115 - Confidential Information

The Division by rule can only keep the information related to the location, size, and nature of the mineral deposit protected as confidential. The actual mining claims are not included under this rule.

The map has been re-drawn without the confidential information.

An additional change has been made to the text that was not requested by DOGM: Page 40, last line, and page 41, top, state that "... Geneva does not anticipate burying any equipment of facilities on-site for areas covered by the application. All trash and debris are disposed of off-site at an appropriate landfill." In fact, Geneva is applying for a landfill permit as part of the mine recommissioning. This language has been changed. Please see revised page 41, included with this submittal.

Application for Mineral Mine Plan Revision or Amendment

Operator:

Palladon Iron Corp.

Mine Name:

Comstock Pit

File Number: M/ 021/008

Provide a detailed listing of all changes to the mining and reclamation plan that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise or amend the existing Mining and Reclamation Plan. Include page, section and drawing numbers as part of the description.

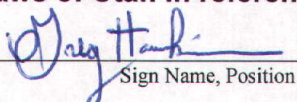
DETAILED SCHEDULE OF CHANGES TO THE MINING AND RECLAMATION PLAN DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED

<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page iv, Drawing Index (Continued)
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 26, begins with Inter. Wheatgrass
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 37, Begins with "Variances"
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 37a, Begins with "b. Revegetation: The Comstock Dump ..."
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 41. Begins with " equipment of facilities on site for areas covered "
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 41a. begins with "The current surety held by Palladon ... "
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page A-1a - Palladon Iron Surety Increase Calculations 7/2/08
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-3, sheet 6 of 6 – replace revised map with newly revised version
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-3f, sheet 6 of 6 - replace revised map with newly revised version
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-10, Property Map - replace revised map with newly revised version
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 0100-12 – replace revised map with newly revised version
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-13 – South Waste Dump extension
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0101-9 – Cross sections U-U' and T-T'

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

Greg Hawkins

Print Name



Sign Name, Position

07/03/08

Date

Return to:

State of Utah

Department of Natural Resources

Division of Oil, Gas and Mining

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Box 145801

Salt Lake City, Utah 84114-5801

Phone: (801) 538-5291 Fax: (801) 359-3940

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FOR DOGM USE ONLY:

File #: M/ /

Approved:

Bond Adjustment: from (\$)

to \$

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